

***STATE OF LOUISIANA  
LEGISLATIVE AUDITOR***

**Office of Rural Development**

Staff Study  
December 1995



***Performance Audit Division***

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***Daniel G. Kyle, Ph.D., CPA, CFE  
Legislative Auditor***

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**State of Louisiana**

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December 13, 1995

Honorable Samuel B. Nunez, Jr.,  
President of the Senate  
Honorable John A. Alario, Jr.,  
Speaker of the House of Representatives  
and  
Members of the Legislative Audit Advisory Council

Dear Legislators:

This is our staff study of the Office of Rural Development. This study was conducted under the provision of Title 24 of the Louisiana Revised Statutes of 1950, as amended.

This staff study represents our findings, conclusions, and recommendations. We have also identified matters for legislative consideration. Included in Appendix D is the response of the Office of Rural Development.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel G. Kyle", is written over a large, stylized circular flourish.

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

DGK/jl

[LEGLTR]



# Office of Legislative Auditor

## Executive Summary

### Office of Rural Development Staff Study

The Office of Rural Development was created to assist in the efforts of agencies and individuals to promote rural development. Our study of the Rural Development Program found that:

- ◆ Although required by law, the Office of Rural Development never promulgated rules or regulations for the program.
- ◆ The Office of Rural Development issued grants on a first-come, first-serve basis for almost any requested purpose and with little regard to its own internal guidelines.
- ◆ The Office of Rural Development does not verify that grant funds were used for the intended purpose. Furthermore, neither the Office of Rural Development nor the Rural Development Law gives formal guidance to grant recipients on what to do with leftover funds.
- ◆ Rural development programs in other states have more specific criteria for awarding grants and more stringent monitoring methods than Louisiana's rural development program.
- ◆ Local governments receive financial assistance from other sources that fund the same types of projects as the Office of Rural Development.

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# Office of Rural Development

## Staff Study

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### Staff Study Initiation

This study was conducted because of the recommendations of the Select Council on Revenue and Expenditures in Louisiana's Future (SECURE) to eliminate funding for this program. Appendix C to this report describes the scope and methodology used in this study. This study had the following objectives:

- ♦ **Determine if the program is meeting its goals and objectives as set out in statute.**
- ♦ **Examine the management controls over the application, grant approval and monitoring processes.**
- ♦ **Compare Louisiana's Rural Development Program to rural development programs in other states.**
- ♦ **Determine if the Rural Development Program duplicates or overlaps with other programs.**

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### Background on Office of Rural Development

In 1990, the legislature created the Office of Rural Development within the Governor's Office. The Office of Rural Development was created to assist in the efforts of agencies and individuals to promote rural development. According to Louisiana Revised Statutes (LSA-R.S.) 3:311-318, also referred to as the Rural Development Law, the office is to:

- ♦ serve as a single contact point for rural governments, service providers, state and federal agencies, and individuals interested in rural policies and programs of the state;
- ♦ strive to promote cooperative and integrated efforts among such agencies and programs that are designed to address rural needs; and
- ♦ recommend to the governor and legislature the suitable use of policies, programs, long-range plans, laws, and regulatory mechanisms to meet rural needs.

LSA-R.S. 3:321-323 provides for the rural development fund within the state treasury and for the Rural Development Program, which is a grant-awarding program administered by the Office of Rural Development. The statute further requires the Office of Rural Development to adopt rules and regulations governing the use of the fund and establishing guidelines for awarding grants. The Office of Rural Development (Rural Development) and the Rural Development Program are funded entirely by general fund appropriations.

The monies in the rural development fund are to be used solely to fund projects in rural areas of the state and to cover the grant program's administrative and implementation expenses. The Rural Development Law defines rural areas as parishes with less than 100,000 population or municipalities with less than 25,000 population. Rural Development provides grants for various public purposes to local government entities and other types of public entities such as airport authorities and universities.

The grant program was first funded in fiscal year 1993, and Rural Development began issuing grants in that year. Exhibit 1 below lists the annual funding and the amount and number of grants issued for fiscal years ending 1993, 1994, and 1995.

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**Exhibit 1**  
**Rural Development Program Funding**  
**for Fiscal Years 1993 through 1995**

<b>Fiscal Year Ended June 30</b>	<b>Funds Appropriated</b>	<b>Grants Issued</b>	<b>Number of Grants Issued</b>
1993	\$7,157,727	\$5,448,929	122
1994	\$6,722,000	\$6,650,390	226
1995	\$6,722,000	\$6,295,188	233

**Note 1:** The difference between funds appropriated and grants issued could be used for Rural Development's administrative costs. Rural Development can carry funds forward to succeeding year.

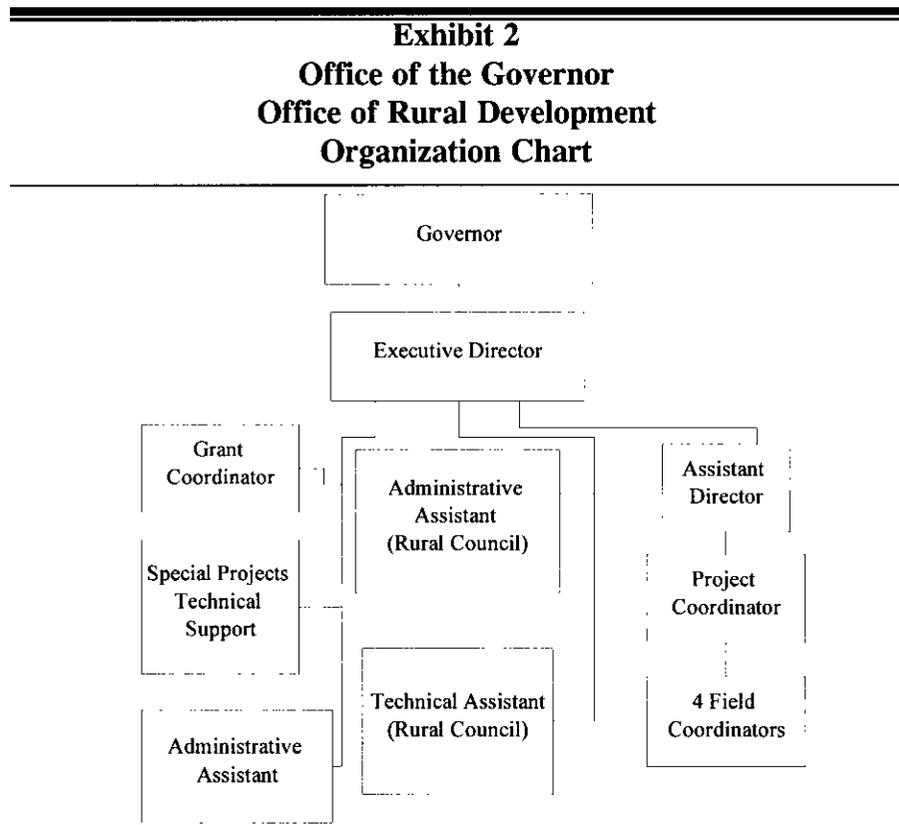
**Note 2:** Three additional grants were issued in fiscal year ending 1995 that totaled \$40,000. Because they were issued after our fieldwork was completed, these three grants are not included in our report analyses.

**Source:** Appropriations Acts and Division of Administration, Support Services.

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In addition to providing grants to local government units, Rural Development has been involved in two other projects. First, Rural Development contracted with Louisiana State University's College of Education in a statewide project aimed at improving literacy in rural areas. In the other project, the office contracted with Louisiana State University's College of Engineering to design and implement a customized geographic information system. According to the executive director of the Office of Rural Development, the system will be used to provide mapping and census data to local governments and other state agencies.

**Staffing.** The Office of Rural Development is led by an executive director who is appointed by and serves at the governor's pleasure. The office also employs an assistant director, a grant coordinator, a special projects technician, a project coordinator, four field coordinators, and an administrative assistant. Exhibit 2 below illustrates the organization of the Office of Rural Development.



**Source:** Prepared by legislative auditor's staff using information provided by the Office of Rural Development.

The executive director also serves as co-chair of the Louisiana State Rural Development Council, an entity established by a memorandum of understanding between the United States Department of Agriculture and the state of Louisiana. A partially federally funded entity, the Rural Development Council was created to help people take advantage of available resources through innovative approaches and coordinated partnerships. The mission of the Rural Development Council is to encourage and stimulate the economic and social well-being of rural Louisiana. As a match to the federal funds provided to fund the Council, the Office of Rural Development provides supplies, office space, an administrative assistant, and a technical assistant.

An Executive Committee, made of the federal and state co-chairs and an executive director, guides the Council and deals with policy matters. The Council consists of 135 members representing local, state, and federal entities, private industry, and non-profit entities. To become a member, the individual submits an application to the Executive Committee. The applicant must also be at the policymaking level of the organization and have authority that allows appropriate decisions to be implemented.

### **Prior Related Audit Work**

In the past, the Office of Public Works at the Department of Transportation and Development administered the Public Improvements Fund. Similar to the Rural Development fund, this fund was used to provide financial assistance to local governments with various projects such as improvements to streets, sewerage systems, drainage systems, water and gas systems; equipment and operating funds for volunteer fire departments; industrial and economic development; renovations and improvements for schools, courthouses, jails, and libraries; and many other purposes.

In March 1988, the legislative auditor issued an operational audit of that fund. The audit had numerous findings. Particularly, the audit found that the program lacked the following:

- ♦ criteria for the use of monies in the fund
- ♦ an application process
- ♦ criteria for selection of projects

- monitoring procedures
- follow-up evaluations

The Office of Public Works still exists within the Department of Transportation and Development. However, that office is no longer funded to provide grants to local governments. During this staff study, we saw evidence of some of these same deficiencies in the Rural Development Program.

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**Purpose of  
Rural  
Development  
Program  
Not Clearly  
Defined**

The Louisiana Legislature created the Rural Development Program to address the needs and conditions of rural areas. However, the statutory guidelines for the program are broad and make it difficult to determine if Rural Development is indeed administering this program as the legislature intended. According to LSA-R.S. 3:323(C), the following guidelines should apply to any project funded through the Rural Development Program:

- All projects or activities funded must be related to the revitalization of a designated rural area.
- All funds shall be used to mitigate the rapid deterioration of rural health, education, transportation, public facilities, tourism, infrastructure, or other systems essential to the socio-economic well-being of the state's rural areas.
- All projects or activities should enhance and broaden rural employment opportunities and community services.

The law also requires Rural Development to adopt rules and regulations governing the use of the fund and to establish a formula for the distribution of funds. These rules and regulations are to be adopted in accordance with the Administrative Procedures Act. To date, no such rules and regulations exist. The absence of such rules and regulations further complicate any effort to determine if Rural Development is meeting its intended goals and objectives.

Rural Development provides grants to local governments and other entities for many purposes, perhaps as a consequence of the lack of specific statutory guidance or rules and regulations related to the program's purpose. The types of projects funded have ranged from providing funds for paying teacher salaries to building recreational facilities and making road and sewer improvements.

**Role of rural development offices in other states.** We contacted rural development offices in the 10 southern states listed below to obtain information about their rural development efforts.

Alabama	Mississippi
Arkansas	North Carolina
Florida	South Carolina
Georgia	Tennessee
Kentucky	Virginia

Most of the rural development offices in these 10 states see their primary functions as coordinating rural development efforts, providing a contact point and resource center for organizations interested in rural development, and researching and testing model programs. In addition to these general functions, some states perform other functions as listed below.

- ♦ Eight states provide guidance on strategic planning to local leaders in the form of one-on-one area visits, conferences, and workshops.
- ♦ Four states provide a directory of state, federal, and private sector funding sources.
- ♦ Three states make recommendations to the governor and legislative bodies regarding state policies and legislation.
- ♦ Five states administer grant funds. See Appendix B for more information on these funds.

**Exhibit 3**  
**Activities of Rural Development Programs in Southern States**

Activities	AL	AR	FL	GA	KY	LA	MS	NC	SC	TN	VA
Provide local communities guidance on strategic planning		X	X	X	X		X		X	X	X
Provide a directory of available state, federal, and private sector funding sources	X	X		X			X				
Make policy recommendations to the governor and legislative bodies		X	X			X		X			
Operate grant funds		X		X		X		X	X		X
Conduct development activities via independent regional planning commissions	X				X		X				

**Note:** An "X" indicates this state's rural development program has this particular feature.

**Source:** Prepared by legislative auditor's staff using information gathered from each state's rural development office. We did not audit the information provided by each state.

Exhibit 3 above shows the activities and functions of the rural development programs in the 10 states that we contacted and also includes Louisiana.

**Structure of  
Rural  
Development  
Program  
Appears  
Uncommon**

Unlike Louisiana, most other southeastern states do not structure their rural development office to report directly to the governor. Arkansas was the only one of the 10 southeastern states that we contacted with a rural development program that reports directly to the governor. All others are located within developmental entities including state agencies, regional or local offices or commissions, and private and non-profit organizations or some combination of these.

For instance, three states, Alabama, Kentucky, and Mississippi, conduct rural development activities primarily through independent *regional planning commissions*. In both Alabama and Mississippi, the Department of Economic Development coordinates with regional planning commissions. The regional commissions are funded by membership dues, federal and state revenues, and charges for services to local governments. In both states, each commission represents

approximately 10 counties. Kentucky, on the other hand, has no single office focusing on rural development, but area development districts provide technical assistance to local communities. None of these three states administers a rural development grant program at the state level.

The state of North Carolina established a *non-profit organization*, the North Carolina Rural Economic Development Center, Inc., to administer rural development programs and other activities aimed at building economic strength in that state's rural counties. This center is funded by general assembly appropriations as well as contributions from private foundations, corporations, and federal and local governments.

### Broad Range of Purposes for Grants Issued

Rural Development issues grants to fund projects for many different purposes. Exhibit 4 below categorizes the grants issued by purpose for fiscal years 1994 and 1995 and shows the number and amount of grants issued for each category. Grants issued during fiscal year 1993 were excluded because sufficient information was not available.

**Exhibit 4**  
**Summary of Rural Development Grants**  
**for Fiscal Years 1993-1994 and 1994-1995**

Purpose of Grants	Fiscal Year 1993-1994			Fiscal Year 1994-1995		
	Number of Grants	Total Dollars	Percent of Total Dollars	Number of Grants	Total Dollars	Percent of Total Dollars
1. Infrastructure	127	\$3,302,691	49.8%	121	\$2,818,051	44.8%
2. Economic Development	26	1,372,699	20.6%	13	930,853	14.8%
3. Parks and Recreation	31	774,000	11.6%	38	916,737	14.6%
4. Public Safety	20	427,732	6.4%	24	391,791	6.2%
5. General Equipment	6	159,300	2.4%	9	129,000	2.0%
6. Other	16	613,968	9.2%	28	1,108,756	17.6%
<b>TOTALS</b>	<b>226</b>	<b>\$6,650,390</b>	<b>100.0%</b>	<b>233</b>	<b>\$6,295,188</b>	<b>100.0%</b>

**Source:** Prepared by legislative auditor's staff using information provided by the Office of Rural Development.

**Note:** Three additional grants were issued in fiscal year ending 1995 that totaled \$40,000. Because they were issued after our fieldwork was completed, these three grants are not included in our report analyses.

We organized the grants issued during these two fiscal years into six major categories: infrastructure, economic development, parks and recreation, public safety, equipment, and other. Appendix A of the report contains information on each grant issued during fiscal years 1994 and 1995 by parish.

For both fiscal years, nearly half of all rural development grant dollars went to infrastructure projects. Projects in this category consist of road repairs, building repairs, and sewer and water treatment plant repairs. Exhibit 5 below further breaks down the purposes of the grants within the infrastructure category.

**Exhibit 5**  
**Breakdown of Infrastructure Grants**  
**for Fiscal Years 1993-1994 and 1994-1995**

Infrastructure Grants	Fiscal Year 1993-1994			Fiscal Year 1994-1995		
	Number of Grants	Total Dollars	Percent of Total Dollars	Number of Grants	Total Dollars	Percent of Total Dollars
Streets, Roads, Bridges	48	\$1,359,677	41.2%	42	\$1,006,805	35.7%
Build or Repair Facilities	10	228,500	6.9%	22	526,000	18.7%
Sewer, Water, Gas	69	1,714,514	51.9%	57	1,285,246	45.6%
<b>TOTALS</b>	<b>127</b>	<b>\$3,302,691</b>	<b>100.0%</b>	<b>121</b>	<b>\$2,818,051</b>	<b>100.0%</b>

Source: Prepared by legislative auditor's staff using information provided by the Office of Rural Development.

Projects in the second category of grants in Exhibit 4 were designated as "economic development projects" by the grant recipients. We did not determine the economic impact of these projects within the rural communities they are supposed to serve. These projects provided funds to be used for such things as:

- ♦ a hospital access route in Ascension Parish,
- ♦ start-up funds for the town of St. Gabriel,
- ♦ a small business incubator in Livingston Parish, and
- ♦ rural development centers at Nicholls State University and Louisiana Tech University.

The third category on Exhibit 4, parks and recreation grants, contained the second largest number of grants issued by Rural Development for both fiscal years. Some of the projects in this category included festivals, boat launches, softball fields, building and renovating community centers, fencing for parks, and renovations to theatres. In the fourth category, local government units received grants to purchase or improve public safety equipment such as fire and police equipment, vehicles, and facilities. In addition, the fifth category contains grants to local government units to purchase general equipment such as trucks, excavation equipment, radio equipment, and a boat, motor and trailer.

Examples of the other projects on Exhibit 4 that Rural Development funded through grants include:

- ♦ Telemedicine: a project that would link rural hospitals to medical schools in the state via teleconferencing (approximately \$500,000 for fiscal year 1995--appropriated separately from other grants),
- ♦ LSU Leadership Conference: a program to educate rural officials on various issues relating to managing their particular entity (\$100,000 for fiscal year 1995), and
- ♦ Schools: to repair or maintain school facilities and parking lots and to pay Arkansas teachers' salaries for some Union Parish students to attend a nearby school in Arkansas.

### **Other States Provide More Guidance on Type of Grants to be Funded**

Each of the five states with rural development grant programs had different approaches to funding projects. In general, the purposes of these grant programs were more narrowly defined than in Louisiana. One segment of North Carolina's center awards grants to local governments and non-profit organizations in poor rural counties to be used as matching funds often required to obtain federal grants for water and sewer projects. The center awarded 20 grants totaling \$1.65 million in 1994. In turn, the center expects to receive \$31.7 million in federal grants, to generate \$345 million in private investments, and to provide water and/or sewer service to 431 homes.

In Georgia, activities ineligible for funding include general improvements or renovations to non-historic public buildings and water and sewer projects. South Carolina's program funds infrastructure and public works projects only, depending on an area's ability to attract and support industry. In Virginia, projects that are eligible for funding by existing state and federal programs are not eligible for grants through that state's grant program.

### **Inconsistent Grant Application and Approval Processes**

Most local government units may apply for Rural Development grants for almost any public purpose to fully fund a project. The process begins when the local government unit submits a completed application form to the office along with all of the required supporting documentation. Rural Development awards grants on a first-come, first-serve basis. A committee made up of the executive director, the project coordinator, the grant coordinator, and all four field coordinators reviews the applications, but final approvals come from the governor who can reject an application or make changes to the grant amounts. After final approval from the governor, checks are processed and issued for the full amount of the grant to the recipients.

According to the executive director, a grant application may be denied if:

- ♦ funds are depleted,
- ♦ the application does not have all of the required supporting documentation,
- ♦ a project has not been completed from the year before,
- ♦ all projects in the parish exceed the per-parish limit of \$100,000, or
- ♦ the governor so instructs.

According to the executive director, Rural Development will send applications to legislators beginning in fiscal year ending 1996. Then, the governmental unit will have to obtain an application from its legislator.

The application form lists all of the necessary supporting information and documentation. According to the application form, if any of the following information is not provided, the project cannot be reviewed for funding:

- ♦ Resolution of support from governing body
- ♦ Letters of support from legislative delegation
- ♦ Cost breakdown of project
- ♦ Percent of unemployment of area affected
- ♦ Per capita income of area affected
- ♦ Demonstrated need--is it an emergency?
- ♦ Will project create or retain jobs? If so, how many?
- ♦ Percent of citizens affected by the project

The application form also lists the application guidelines (which are basically the same as the statutory guidelines mentioned on page 5) and the maximum grant amount allowed for each type of government unit.

The maximums are:

- ♦ villages--\$15,000
- ♦ towns--\$25,000
- ♦ cities--\$50,000
- ♦ parishes--\$100,000

A combination of a parish with a village, town, or city can be funded up to \$100,000. The application form states that funding can exceed the maximums if the projects are deemed to be economic development projects creating permanent jobs.

### **Program Lacks Competitive Process and Consistent Criteria for Approving Grants**

The Rural Development Program lacks a competitive process that uses specific criteria to determine which grants to fund. With limited funds and lack of competitiveness in the grant approval process, the state gets no assurance that the most beneficial projects will be funded. In addition, the program does not have procedures or performance indicators to assess the impact the grants will have on improving living conditions for rural residents.

Our review of some of the files showed that, in most cases, the files contained the required documentation. However, we were unable to determine how, if at all, the information requested from grant applicants is factored into the grant approval process. According to the executive director, grants are awarded based on need, but primarily on a first-come, first-serve basis.

For example, one of the questions on the application asks if the project will create or retain jobs. Applicants who reported that no jobs would be created received grants even though statutory guidelines require all projects to "enhance and broaden rural employment opportunities and community services." Grant recipients who reported that jobs would be created or retained are not required to provide documentation to support that statement. The only supporting documents the office requires the applicants to submit are letters of support from their senator and representative and a resolution authorizing the grant application from their governing body.

Rural Development does not have clear definitions or documented requirements to determine when an application warrants allowing a grant recipient to exceed the maximums. The application form states that funding may exceed established limits "for economic development projects creating permanent jobs." However, there is no formal guidance on what constitutes "economic development" or "permanent jobs." According to the executive director, grants can also exceed the established limits if an "emergency" situation exists, but "emergency" is not clearly defined.

### **Some Grants Approved Regardless of Criteria**

According to documents provided by Rural Development, parishes are ineligible to receive rural development grants if their populations exceed 100,000. However, rural municipalities within these parishes may receive rural development grants. Nine ineligible parishes include Caddo, Calcasieu, East Baton Rouge, Jefferson, Lafayette, Orleans, Ouachita, Rapides, and St. Tammany. Our file review showed that at least three of these received rural development grants in fiscal year 1995:

- ♦ Caddo Parish Commission received \$60,000 for a sewer district;
- ♦ Calcasieu Parish Police Jury received \$50,497 for road repairs; and
- ♦ St. Tammany Parish Police Jury received \$40,000 for a drainage district.

According to the executive director and application guidelines, Rural Development limits each parish to \$100,000 for all projects within the parish, unless an emergency or economic development project gets funded. However, review of the fiscal year 1994 grants showed that 23 of 56 parishes, or 41 percent, exceeded the \$100,000 limit. One parish exceeded the limit by 300 percent. Similarly, for fiscal year 1995, 17 of 57 parishes, or 30 percent, exceeded the \$100,000 limit. Our work did not include examining each project to determine whether an emergency or economic development project caused the parish to exceed the limit. Appendix A shows the parish totals for fiscal years 1994 and 1995 grants.

### **Other States Have More Structured Grant Approval Processes**

Five of the 10 states that we contacted operate a grant fund similar to Louisiana's. They are Arkansas, Georgia, North Carolina, South Carolina, and Virginia. Grant fund annual budgets in these five states range from \$30,000 to \$9,000,000. Three of the five states have maximum grant amounts of between \$10,000 and \$100,000 per project, and one state requires the grant amount to be less than 50 percent of the total project cost. Appendix B compares certain elements of the programs in these five states to Louisiana's rural development program.

In these five states, applications undergo a structured review by a committee. In Arkansas, Georgia, and Virginia, grants are made on a cyclical basis, usually twice a year, after all applications have been reviewed. By contrast, in Louisiana, grant applications receive very limited review and grant awards are made on a first-come, first-serve basis until funding is depleted.

Similar to Louisiana, North Carolina awards grants on a first-come, first-serve basis. However, unlike Louisiana, North Carolina has a nine-member committee from various state agencies that reviews applications for project validity and community relevance as well as to ascertain that funding is not

available from other sources. North Carolina uses a process in which they assign weight to specific criteria for awarding grants. By contrast, much information is required for Louisiana's rural development program, but very little appears to be used in determining whether to award a grant. Furthermore, the governor can reverse any decision to award or deny a grant made by the Rural Development staff.

The five other states require matching funds (usually 50/50 cash or in-kind) from other sources. Louisiana does not require any matching funds to apply for a rural development grant or that the local government unit first attempt to secure funds from other sources.

## **Ineffective Monitoring of Grants**

The Rural Development Law does not require any monitoring of or reporting on the use of grant funds. Furthermore, the office never established rules or regulations with program monitoring requirements. However, Rural Development requires grantees to submit one of three project status reports, depending on the amount of time it will take to complete the project. Once this report is received, Rural Development considers the projects complete with no other verification required.

Rural Development employs four field coordinators. According to the executive director, each one is assigned a region of the state and their duties are to monitor how grant funds are spent. The executive director said that, in the past, the field coordinators phoned grantees to ask how the funds were spent. Now, they visit grantees to obtain any unreturned status reports. However, the field coordinators are not required to visibly confirm that each project was completed or that the funds were used for the stated purpose.

### **Key Grant Monitoring Elements Missing**

The Rural Development Program appears to lack several elements of an effective grant monitoring process including:

- ♦ verification that projects are completed
- ♦ verification that money is used for the stated purpose
- ♦ verification of expenses

- ♦ guidance on what to do with funds remaining upon project completion

According to grant control procedures adopted by the U.S. General Accounting Office and others, a good management control system should have reporting and compliance requirements defined in regulations. The risks associated with not having these are:

- ♦ Eligible grant recipients not applying;
- ♦ Eligible grant recipients being denied grants;
- ♦ Ineligible grant recipients applying;
- ♦ Unauthorized grants being made;
- ♦ Grant expenditures exceeding budget; and
- ♦ Program objectives not being met.

Rural Development issues grant funds for the full amount once the application is approved, and the expenditure of grant funds is not monitored. The office does not collect and verify expense reports detailing how the grant funds were spent. Furthermore, neither the office nor the Rural Development Law provides guidance or penalties should the funds not be used entirely or for the intended purpose.

In our file review, we found cases in which projects cost the grantees less than expected. These grantees obtained permission from Rural Development to use the remaining funds for other purposes, which did not go through the same application process as the original projects.

In one case, Livingston Parish Police Jury received a \$35,000 grant for a drainage project in September 1992. The project cost \$7,400 less than the grant amount. The police jury requested and received permission from Rural Development in May 1994 to use the balance for road repairs without completing a new application.

In another case, the Town of Independence received a \$30,000 grant to rehabilitate a sewer system in fiscal year 1993. For various stated reasons, the town completed the project for approximately \$19,000, approximately 37 percent less than the grant amount. In fiscal year 1994, Rural Development granted the town's request for an additional grant of \$22,630 and permission to use the \$11,000 to repair a leaking water line. Since there is no requirement to report leftover grant money,

other grant recipients may not be reporting when they have excess grant funds.

### **Other States Monitor Grants More Closely**

The methods used to ensure that grant funds are properly expended varied among the five states with grant programs similar to Louisiana's. For example, in North Carolina, funds are not paid until the end of the project when all other funding sources have been expended and a staff person makes an on-site visit to ascertain the progress of the project. In addition, North Carolina requires a copy of an audit for grants over \$25,000.

In South Carolina, funds are not distributed until the project is underway. In addition, a staff person makes weekly site visits to monitor the project. Some of the money is paid directly to contractors and not to grantees.

In Virginia, grant recipients are given a grant management manual to lead and advise them during the course of the project. In addition, a staff person oversees each project from inception to completion. This expands their knowledge of what works and what does not so they can provide perspectives to other projects. Arkansas' staff conduct site visits to ensure projects are moving at an appropriate pace. Arkansas also requires the return of amounts more than \$5 left at the end of the project. In Georgia, funds are paid in increments with final payment occurring only after the project has been completed.

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### **Possible Duplication and Overlap of Effort**

Within Louisiana state government, other agencies or programs are providing funding to the same types of local government projects as Rural Development. For example, each parish receives money from the Parish Transportation Fund for the maintenance and construction of parish roads and bridges, based on the parish's population. These funds can also be used to purchase equipment for road work. However during fiscal years 1994 and 1995, a total of 22 different parish governments applied for and received over \$1.4 million in grants for road and/or bridge repairs from the Rural Development Fund.

In addition, the Office of Community Development, which administers the state's federally funded Community Development Block Grant Program, provides grants to local governments for sewer, water, streets, and other public purposes. This program requires the grants be used to benefit low to moderate income persons. Furthermore, this program selects projects to fund on a competitive basis to the extent funds are available.

According to the executive director, Rural Development does not have all of the documentary requirements of other programs that assist local government agencies and grants are awarded on a first-come, first-serve basis rather than a competitive basis. Rural Development appears to have less stringent requirements, oversight, and control of the funds that it distributes, thus making it a more attractive program to those it serves.

Rural Development also issued grants for projects that seem to overlap with other projects within the same area. For example, Rural Development approved grants to different economic development groups within the same parish. In Ouachita Parish for fiscal year 1994, North Central Louisiana Regional Economic Development entity received a \$25,000 grant and Northeastern Council on Black Economic Development entity received a \$50,000 grant. In addition, the Macon Ridge Economic Development Region, which is in the same region, received \$75,000 in grant funds that year.

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## **Matters for Legislative Consideration**

The legislature may wish to consider clarifying the mission and objectives of the Rural Development Program. Once this is done, then the legislature may also wish to consider one of the following:

1. If the Rural Development Program's sole purpose is to provide financial assistance to local government agencies, then realign these resources with existing programs that have similar missions such as the Parish Transportation Act or the Community Development Block Grant Program.

2. If the Rural Development Program is intended to serve some other purpose, then urge the office to prepare rules and regulations, as required by LSA-R.S. 3:323(B).

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## **Recommendation**

The Office of Rural Development should prepare rules and regulations governing the use of rural development funds, as required by LSA-R.S. 3:323(B). These rules and regulations should clarify the requirements for receiving grants and should address the identified weaknesses in the grant approval and monitoring processes.



# Appendixes

## Appendix A: Rural Development Grants for Fiscal Years 1994 and 1995

Parish	Grant Recipient	Project Description	Grant Amount		
			Fiscal Year End 1994	Fiscal Year End 1995	
Acadia	Acadia Parish Police Jury	Road Improvement	\$85,000		
	Acadia Parish Police Jury	Bridge Repairs/Replacement	30,000	\$6,688	
	Acadia Parish Police Jury	Multi-Purpose Facility		25,000	
	Acadia Parish Police Jury	Water Tank Repairs		15,000	
	Acadia Parish School Board	School Parking Lot		57,500	
	Church Point, Town of	Park Restrooms		17,000	
	Crowley, City of	Civic Center Upgrade		25,000	
	Estherwood, Village of	Water Tank Repairs		15,000	
	Iota, Town of	Folklife Festival		10,000	
	Mermentau, Village of	Drainage Pump Repairs	15,000		
	Morse, Village of	Purchase Used Fire Truck		7,500	
	Rayne, City of	Canal Work at US 90 and LA 35	50,000		
		<b>Subtotal Acadia</b>	<b>\$180,000</b>	<b>\$178,688</b>	
	Allen	Allen Parish Police Jury	Boat Ramp on Calcasieu River		15,000
		Elizabeth, Town of	Street Repairs	15,000	15,000
Kinder, Town of		Sewer Extensions		13,000	
Kinder, Town of		Long-Johnson Park Walking Path		12,000	
Oakdale, City of		Restoration of Water Storage	50,000		
Oakdale, City of		Street Work		40,000	
Oberlin, Village of		Water Tank Project	20,000		
Reeves, Village of		Sewer System	15,000	15,000	
		<b>Subtotal Allen</b>	<b>\$100,000</b>	<b>\$110,000</b>	
Ascension		Ascension Parish Police Jury	Water Line Repairs		74,550
	Ascension Parish Police Jury	Hospital Access Route		100,000	
		<b>Subtotal Ascension</b>	<b>\$0</b>	<b>\$174,550</b>	

## Rural Development Grants for Fiscal Years 1994 and 1995

Parish	Grant Recipient	Project Description	Grant Amount	
			Fiscal Year End 1994	Fiscal Year End 1995
Assumption	Assumption Parish Police Jury	Canal Excavation	\$50,000	
	Assumption Parish School Board	Pesticide Contamination		\$35,000
		<b>Subtotal Assumption</b>	<b>\$50,000</b>	<b>\$35,000</b>
Avozelles	Avozelles Parish Police Jury	Le Theatre Des Bon Temps	10,000	
	Avozelles Parish Police Jury	Fire Truck	18,500	
	Avozelles Parish Police Jury	Two Ball Fields	20,000	
	Avozelles Parish Police Jury	Water System	20,000	25,000
	Avozelles Parish Police Jury	Fire Equipment/Plaucheville		16,780
	Avozelles Water System	Water System	20,000	
	Bunkie, City of	Water Line Extension	10,000	
	Bunkie, City of	Renovate Haas Auditorium	15,000	
	Cottonport, Town of	Fire Station Metal Building	10,000	15,000
	Effie District 1 Ball Park	Lights for Baseball Field	7,000	
	Marksville, City of	Paving and Drainage Improvements	25,000	
	Marksville, City of	Recreation Area		15,000
	Marksville, City of	Fox Theatre Repairs		25,000
	Simmesport, Town of	Handicapped Regulations	10,000	
		<b>Subtotal Avozelles</b>	<b>\$165,500</b>	<b>\$96,780</b>
Beauregard	Beauregard Parish Police Jury	Gravel for Streets	50,000	
	Beauregard Parish Police Jury	Rodeo Arena		50,000
	DeRidder, City of	Sewer Line	25,000	
	DeRidder, City of	Repair Public Facilities	30,000	
	Merryville, City of	Street Repair	25,000	
		<b>Subtotal Beauregard</b>	<b>\$130,000</b>	<b>\$50,000</b>
Bienville	Arcadia, Town of	Fire Station		25,000
	Bienville Parish Police Jury	Recreation District 3		30,000
	Bienville Parish Recreation District 2	Service Center		15,000
	Castor, Village of	Sewer System Repairs	15,000	
	Castor, Village of	Police Car/Equipment		15,000
	Gibland, Town of	Water Well and City Hall Repairs	10,000	
	Ringgold, Town of	Sewer Extensions		25,000
	Saline, Village of	Extend Sewer System	15,000	

## Rural Development Grants for Fiscal Years 1994 and 1995

Parish	Grant Recipient	Project Description	Grant Amount	
			Fiscal Year End 1994	Fiscal Year End 1995
		<b>Subtotal Bienville</b>	<b>\$40,000</b>	<b>\$110,000</b>
<b>Bossier</b>	Bossier Parish Police Jury	Water System Extension	16,934	
	Bossier Parish Police Jury	Well and Pump Station	50,000	
	Bossier Parish Police Jury	Park Improvements		15,000
	Houghton, Town of	Construct a Park	7,000	
	Plain Dealing, Town of	Street/Drainage Improvements	25,000	20,000
		<b>Subtotal Bossier</b>	<b>\$98,934</b>	<b>\$35,000</b>
<b>Caddo</b>	Belcher, Village of	Capital Repairs Town Hall	7,500	5,000
	Blanchard, Town of	Community Center	10,000	15,000
	Caddo Parish Commission	Sewer District 7		60,000
	Caddo Parish Water District 1	Water Treatment Plant Repairs	10,000	
	Gilliam, Village of	Community Center Improvements	7,000	
	Gilliam, Village of	Capital Improvements		15,000
	Hosston - Mira Water System, Inc.	Mira Water System Repairs	15,000	
	Hosston, Village of	Road and Street Drainage	5,000	
	Hosston, Village of	Water Storage Tanks Repairs		15,000
	Ida, Village of	Streets, Drainage	7,000	
	Ida, Village of	Capital Improvements		10,000
	Mooringsport, Town of	Repair and Replace Sewer Lines	10,000	20,000
	Oil City, Town of	Sewer and Drainage Project	10,000	
	Oil City, Town of	Drainage/Community Center		16,000
	Oil City, Town of	Drainage/Community Center		4,000
	Rodessa, Village of	Sewer and Water Service	10,000	10,000
	Vivian, Town of	Capital Improvements	21,000	20,000
	Vivian, Town of	Boat Launch		5,000
	Vivian/Black Bayou	Remark Channel Markers	7,500	
		<b>Subtotal Caddo</b>	<b>\$120,000</b>	<b>\$195,000</b>
<b>Calcasieu</b>	Calcasieu Parish Police Jury	Road Repairs		50,497
	Dequincy, City of	Natural Gas Supply Construction	50,000	
	Dequincy, City of	Purchase Building		100,000
		<b>Subtotal Calcasieu</b>	<b>\$50,000</b>	<b>\$150,497</b>

## Rural Development Grants for Fiscal Years 1994 and 1995

Parish	Grant Recipient	Project Description	Grant Amount		
			Fiscal Year End 1994	Fiscal Year End 1995	
<b>Caldwell</b>	Caldwell Parish Police Jury	Courthouse A/C		\$70,000	
	Clarks, Village of	Town Hall Repairs		15,000	
	Columbia, Town of	Revitalize Historic Street	\$25,000		
	Grayson, Village of	Water Tank Repairs		15,000	
		<b>Subtotal Caldwell</b>	<b>\$25,000</b>	<b>\$100,000</b>	
<b>Cameron</b>	Cameron Parish Police Jury	Drainage Improvements	50,000		
		<b>Subtotal Cameron</b>	<b>\$50,000</b>	<b>\$0</b>	
<b>Catahoula</b>	Catahoula Parish Police Jury	Roads to Ft. Hill Park	25,000		
	Catahoula Parish Police Jury	Pool Bend Road	45,000		
	Catahoula Parish Police Jury	Means Lake Road Repairs		27,000	
	Catahoula Parish Police Jury	Culvert on Vick Road		6,000	
	Catahoula Parish Police Jury	Boat, Motor, Trailer		12,000	
	Harrisonburg, Village of	Oxidation Pond	15,000		
	Harrisonburg, Village of	Water Plant Repairs		10,000	
	Jonesville, Town of	Sports Equipment Building		50,000	
	Sicily Island, Village of	Wastewater Treatment	10,000		
	Sicily Island, Village of	Street Repairs		10,000	
			<b>Subtotal Catahoula</b>	<b>\$95,000</b>	<b>\$115,000</b>
	<b>Claiborne</b>	Claiborne Parish Police Jury	Road Repair	24,000	
Claiborne Parish Police Jury		Water System Repairs		100,000	
Haynesville, Town of		Inventory, Equipment, Working	50,000		
Haynesville, Town of		Additions to Two Parks	20,000		
Homer, Town of		Renovate City Hall	10,000		
			<b>Subtotal Claiborne</b>	<b>\$104,000</b>	<b>\$100,000</b>
<b>Concordia</b>	Clayton, Town of	Upgrade Sewer System	25,000		
	Clayton, Town of	Shady Lane Road Repairs		15,000	
	Concordia Parish Police Jury	Profile and Study for Parish	50,000		
	Concordia Parish Police Jury	New Bridge		50,000	
	Ferriday, Town of	Purchase Property for Police Station	50,000		
	Ferriday, Town of	Farmers Market Expenses	10,000		
	Ferriday, Town of	Town Park Improvements		20,000	

## Rural Development Grants for Fiscal Years 1994 and 1995

Parish	Grant Recipient	Project Description	Grant Amount		
			Fiscal Year End 1994	Fiscal Year End 1995	
Concordia (Cont'd)	Ridgecrest, Town of	Wastewater Treatment Facility	\$24,100		
	Ridgecrest, Town of	Town Park Improvements		\$15,000	
	Vidalia, Town of	RV Parking Area		20,000	
		<b>Subtotal Concordia</b>	<b>\$159,100</b>	<b>\$120,000</b>	
DeSoto	DeSoto Parish Police Jury	Bethal Road Repairs	12,500		
	DeSoto Parish Police Jury	Improvement for Linwood Ave	12,500	55,000	
	Grand Cane, Village of	Purchase/Renovate Building	12,500	15,000	
	Logansport, Town of	RV Park and Dump Station	15,000		
	Logansport, Town of	Building Renovations		25,000	
	Mansfield, Town of	Improve Drainage	50,000		
	Mansfield, Town of	Demolish Building		30,000	
	Stonewall, Town of	Community Park	10,000		
			<b>Subtotal DeSoto</b>	<b>\$112,500</b>	<b>\$125,000</b>
	East Baton Rouge	Baker, City of	Recreational Area		25,000
Louisiana Airport Authority		Operating Cost for LAA Feasibility Study		100,000	
		<b>Subtotal East Baton Rouge</b>	<b>\$0</b>	<b>\$125,000</b>	
East Carroll	East Carroll Parish Police Jury	Renovate Museum	5,000		
	East Carroll Parish Police Jury	Complete Byerley Park	5,000		
	East Carroll Parish Police Jury	Road and Drainage System	20,000		
	East Carroll Parish Police Jury	Jail Improvements	25,000		
	East Carroll Parish Police Jury	Six Projects		30,000	
	Lake Providence, Town of	Recreation Area	25,000	25,000	
			<b>Subtotal East Carroll</b>	<b>\$80,000</b>	<b>\$55,000</b>
East Feliciana	Norwood Volunteer Fire Department	Fire Truck	40,000		
	East Feliciana Parish Police Jury	Lighting	32,783		
	Norwood, Village of	Water Purification Equipment	14,100		
	Wilson, Village of	Water Purification Equipment	14,100		
		<b>Subtotal East Feliciana</b>	<b>\$100,983</b>	<b>\$0</b>	
Evangeline	Basile, Town of	Water Well Motor		4,000	
	Basile, Town of	Sewer Pump		15,000	
	Chataignier, Village of	Park and Festival Ground	15,000		

## Rural Development Grants for Fiscal Years 1994 and 1995

Parish	Grant Recipient	Project Description	Grant Amount	
			Fiscal Year End 1994	Fiscal Year End 1995
Evangeline (Cont'd)	Evangeline Parish Police Jury	Construct Fishing Pier and Parking	\$50,000	
	Evangeline Parish School Board	Hester Heath School Building	50,000	\$25,000
	Pine Prairie Area Fire Protection District	Fire Station Equipment		15,000
	Pine Prairie, Village of	Storage Building	15,000	
	Turkey Creek, Village of	Water Equipment Storage Building	15,000	
	Ville Platte, City of	Festival Ground	25,000	
		<b>Subtotal Evangeline</b>	<b>\$170,000</b>	<b>\$59,000</b>
				15,000
Franklin	Baskin, Village of	Fire Station Equipment		
	Franklin Parish Police Jury	Excavator Equipment	100,000	
	Gilbert, Village of	Water Plant Filters		15,000
	Winnsboro Economic Development Foundation	Sewer Treatment Repairs		15,000
	Winnsboro, Town of	Sewer Main Repairs		25,000
	Wisner, Town of	Sewer Treatment Repairs		25,000
		<b>Subtotal Franklin</b>	<b>\$100,000</b>	<b>\$95,000</b>
				20,000
Grant	Colfax, Town of	Gas Line Repairs		
	Dry Prong, Village of	Reconstruction Water Treatment	15,000	
	Georgetown, Village of	Water Lines		15,000
	Grant Parish Police Jury	Improvements to Landfill	70,000	
	Montgomery, Village of	Water System Improvements	15,000	
	Pollock, Town of	Sewer Repairs		15,000
		<b>Subtotal Grant</b>	<b>\$100,000</b>	<b>\$50,000</b>
Iberia	Iberia Parish Government	Re-Surface Pesson Road	75,000	
	Iberia Parish Government	Baseball Field		100,000
	Jeanerette, City of	Parking Lot at Mills Plant	200,000	
	Jeanerette, City of	King Joseph Recreation Center	50,000	
	Loreauville, Village of	Flow Measurement Device	5,000	
	Loreauville, Village of	Tractor		15,000
	New Iberia, City of	Economic Development Foundation	74,334	
		<b>Subtotal Iberia</b>	<b>\$404,334</b>	<b>\$115,000</b>
Iberia/Vermilion	Delcambre, Town of	Drainage Improvements	15,000	
	Delcambre, Town of	Culverts		15,000

## Rural Development Grants for Fiscal Years 1994 and 1995

Parish	Grant Recipient	Project Description	Grant Amount	
			Fiscal Year End 1994	Fiscal Year End 1995
Iberville	Subtotal Iberia/Vermilion		\$15,000	\$15,000
	Grosse Tete, Village of	Install Water Meters	15,000	
	Grosse Tete, Village of	Water Meters/Police		10,000
	Iberville Parish Police Jury	Install Culverts on Canal	80,000	
	Maringouin, Town of	Street Repairs		10,000
	Rosedale, Village of	Upgrade Police Department	4,411	
	Rosedale, Village of	Water Line Repairs		10,000
St. Gabriel, Town of	Town Start-Up Funds		25,000	
		Subtotal Iberville	\$99,411	\$55,000
Jackson	Chatham, Town of	Road Repair	15,000	
	East Hodge, Village of	Sewer Treatment Facility	15,000	
	Jackson Parish Police Jury	Jonesboro Industrial Park Road		75,000
	Quitman, Village of	Sewer Aerator		15,000
		Subtotal Jackson	\$30,000	\$90,000
Jefferson	Jean Lafitte, Town of	Parking Lot/Fisher School		15,000
	Westwego, City of	Playground Restrooms		30,000
		Subtotal Jefferson	\$0	\$45,000
Jefferson Davis	Jefferson Davis Parish Police Jury	Topsy-Bell Road Repairs	100,000	
	Jefferson Davis Parish Police Jury	Liberty Cemetery Road		55,000
	Jefferson Davis Parish Police Jury	Fire Station #5		5,000
	Jennings, City of	Drainage Projects		10,000
	Lake Arthur, Town of	Water Tank Repairs		15,000
	Welsh, Town of	Fire Hydrants		10,000
	Welsh, Town of	Museum		5,000
		Subtotal Jefferson Davis	\$100,000	\$100,000
Lafayette	Broussard, Town of	Repairs to South Morgan Ave	25,000	
	Duson, Town of	Road Repairs	10,000	15,000
	Milton Water District	Water Dist Hwy 22 Drainage		25,000
		Subtotal Lafayette	\$35,000	\$40,000
Lafourche	Golden Meadow, Town of	New Road		23,120

## Rural Development Grants for Fiscal Years 1994 and 1995

Parish	Grant Recipient	Project Description	Grant Amount		
			Fiscal Year End 1994	Fiscal Year End 1995	
Lafourche (Cont'd)	Lafourche Parish Council	Senior Citizen Facility		\$25,000	
	Lafourche Parish Council	New Pump for District 1		25,000	
	Lafourche Parish Council	Bowie Road Repairs		100,000	
	Lafourche Parish Council	Galliano Pontoon Bridge		25,000	
	Lafourche Parish Council	Galliano Pontoon Bridge		25,000	
			<b>Subtotal Lafourche</b>	<b>\$0</b>	<b>\$223,120</b>
LaSalle	Jena, Town of	City Park Improvements		22,500	
	LaSalle Parish Police Jury	Improve Landfill	90,000		
	LaSalle Parish Police Jury	Road and Bridge Repair		22,500	
	Olla, Town of	Fire Station		22,500	
	Tullos, Town of	Maintenance Building	10,000		
	Tullos, Town of	Water Pump		10,000	
	Urania, Town of	Sewer Repairs		22,500	
			<b>Subtotal LaSalle</b>	<b>\$100,000</b>	<b>\$100,000</b>
	Lincoln	Dubach, Village of	Recreation Area		10,000
		Lincoln Parish Police Jury	Mt. Olive Fire Station Additions	15,000	
Lincoln Parish Police Jury		Gas Service to Mt. Olive	14,000		
Ruston, City of		Road Construction	20,000		
Simsboro, Village of		Extension of Water Supply	10,000		
			<b>Subtotal Lincoln</b>	<b>\$59,000</b>	<b>\$10,000</b>
Livingston	Albany, Town of	Street Repairs/Town Hall	50,000	15,000	
	Denham Springs, City of	Develop Small Business Incubator	50,000		
	Dixie Business Development Center--Denham Springs	Operating Costs for Small Business Incubator		50,000	
	Killian, Village of	Street Repairs		15,000	
	Livingston Parish Fire District 11	Fire District 11		25,000	
	Livingston Parish Police Jury	Haynes Road 1.3 Miles	50,000		
	Livingston Parish Police Jury	Fire Equipment/District 10	25,000	25,000	
	Livingston Parish Police Jury	Fire District 1		25,000	
	Livingston, Town of	Road Repairs		25,000	
	Springfield, Town of	New Town Hall	50,000		
	Springfield, Town of	Drainage		15,000	

## Rural Development Grants for Fiscal Years 1994 and 1995

Parish	Grant Recipient	Project Description	Grant Amount	
			Fiscal Year End 1994	Fiscal Year End 1995
Livingston (Cont'd)	Walker, Town of	Sewer District	\$25,000	
	Walker, Town of	Punk Smith Memorial Park	50,000	
	Walker, Town of	Street Repairs		\$25,000
		<b>Subtotal Livingston</b>	<b>\$300,000</b>	<b>\$220,000</b>
Madison	Delta, Village of	Water System/Sewerage Office	15,000	15,000
	Richmond, Village of	Street Resurfacing		15,000
	Tallulah, City of	Renovate City Hall	30,000	
	Tallulah, City of	Fencing/Industrial Building		29,237
	Tallulah, City of	Park Fencing		29,237
		<b>Subtotal Madison</b>	<b>\$45,000</b>	<b>\$88,474</b>
Morehouse	Bastrop, City of	Building for Industrial Park	40,000	
	Bastrop, City of	Water Lines		25,000
	Bonita, Village of	Sewer Pump Repairs	10,000	
	Bonita, Village of	New Water Main		15,000
	Collinston, Village of	Completion of Small Business	15,000	
	Collinston, Village of	Water Line to Detention Center		15,000
	Mer Rouge, Village of	Purchase Dump Truck	10,000	
	Mer Rouge, Village of	Utility Truck		15,000
	Morehouse Parish Police Jury	Gravel for Parish Roads	15,000	
	Morehouse Parish Police Jury	Building		20,000
	Oak Ridge, Village of	Fill Pot Holes, Repair Streets	10,000	
	Oak Ridge, Village of	Drainage		15,000
		<b>Subtotal Morehouse</b>	<b>\$100,000</b>	<b>\$105,000</b>
Natchitoches	Natchitoches Parish Police Jury	Water Well Improvements District 2	22,500	
	Natchitoches, City of	Trane Company	90,000	
	Powhatan, Village of	Community Center Repairs		15,000
		<b>Subtotal Natchitoches</b>	<b>\$112,500</b>	<b>\$15,000</b>
Orleans	New Orleans Tourist and Convention Center	Promote Rural Filmmaking		20,000
		<b>Subtotal Orleans</b>	<b>\$0</b>	<b>\$20,000</b>
Ouachita	Richwood, Town of	Extend Road	25,000	
	Richwood, Town of	Police Department		25,000

## Rural Development Grants for Fiscal Years 1994 and 1995

Parish	Grant Recipient	Project Description	Grant Amount	
			Fiscal Year End 1994	Fiscal Year End 1995
Ouachita (Cont'd)	Richwood, Town of	Renovate High School		\$30,000
	West Monroe, City of	Museum		25,000
		<b>Subtotal Ouachita</b>	<b>\$25,000</b>	<b>\$80,000</b>
Plaquemines	Plaquemines Parish Government	Ambulances	100,000	
		<b>Subtotal Plaquemines</b>	<b>\$100,000</b>	<b>\$0</b>
Pointe Coupee	Fordoché, Village of	Police Department Equipment/Station	10,000	10,000
	Livonia, Town of	Funding Generator	16,100	
	Livonia, Town of	Update Police Department Equipment	6,821	
	Livonia, Town of	Street Repairs		10,000
	Morganza, Village of	Water Main Connections		15,000
	Pointe Coupee Parish Police Jury	Completion of Multi-Use Facility	50,000	
	Pointe Coupee Parish Police Jury	Bayou Fordoché Culverts/Crossings	12,000	
	Pointe Coupee Parish Police Jury	Gas/Water Extension to Wye Road	12,000	
	Pointe Coupee Parish Police Jury	Latenach Bayou Bridge	24,000	
		<b>Subtotal Pointe Coupee</b>	<b>\$130,921</b>	<b>\$35,000</b>
Rapides	Ball, Town of	Road Repair	15,000	
	Boyce, Town of	Softball Field	20,000	
	Cheneyville, Town of	Town Hall Repairs		25,000
	Forest Hill, Village of	Extend Sewer System	5,000	
	Glenmora, Town of	Refurbish Water Tank	15,000	
	LeCompte, Town of	Community Center Elevator	80,000	
	LeCompte, Town of	Historic Community Center	15,000	
	Pineville, City of	Renovate City Hall	20,000	
	Pineville, City of	Street Repairs		15,000
	Pineville, City of	Street Repairs		35,000
	Woodworth, Town of	Fire Truck	10,000	
		<b>Subtotal Rapides</b>	<b>\$180,000</b>	<b>\$75,000</b>
Red River	Coushatta, Town of	Industrial Park Building		25,000
	Hall Summit, Village of	Road Repairs		15,000
	Red River Parish Police Jury	Gravel for Parish Roads	35,000	
	Red River Parish Police Jury	Repair Catfish Bend Road	35,000	

## Rural Development Grants for Fiscal Years 1994 and 1995

Parish	Grant Recipient	Project Description	Grant Amount	
			Fiscal Year End 1994	Fiscal Year End 1995
		<b>Subtotal Red River</b>	<b>\$70,000</b>	<b>\$40,000</b>
<b>Richland</b>				
	Delhi, Town of	Poverty Point Reservoir	20,000	
	Delhi, Town of	Cincinnati Street Improvements	25,000	
	Delhi, Town of	Dump Truck/Center		25,000
	Mangham, Town of	Water Mains and Fire Hydrants	20,000	10,000
	Rayville, Town of	Construction of New Road	25,000	
	Rayville, Town of	Turn Lane for New Road	75,000	
	Rayville, Town of	Street Repairs		25,000
	Rayville/Rhyme	Archives Storage and Furniture	3,000	
	Richland Parish Police Jury	Repair Farm to Market Roads	37,000	
	Richland Parish Police Jury	Courthouse Repairs		20,000
		<b>Subtotal Richland</b>	<b>\$205,000</b>	<b>\$80,000</b>
<b>Sabine</b>				
	Converse, Village of	Sewer Dump Station	10,400	
	Fisher, Village of	Street Repairs		10,000
	Florien, Village of	Restore Building	15,000	
	Florien, Village of	Free State Square Building		10,000
	Many, Town of	Replace Two Aerators at Sewer Plant	25,000	
	Many, Town of	City Hall Repairs		20,000
	Pleasant Hill, Village of	Sewer/Water System Repairs	12,500	
	Pleasant Hill, Village of	Equipment		10,000
	Sabine Parish Police Jury	Gravel for Parish Road	25,000	
	Sabine Parish Police Jury	Rebuild Army Recreation Road	25,000	
	Sabine Parish Police Jury	Parish Road Repairs		20,000
	Sabine Parish School Board	Running Track Repairs		30,000
	Zwolle, Town of	Sewer/Water System Repairs	25,000	
		<b>Subtotal Sabine</b>	<b>\$137,900</b>	<b>\$100,000</b>
<b>St. Bernard</b>				
	St. Bernard Port, Harbor and Terminal	Renovate Building for Plant	250,000	
		<b>Subtotal St. Bernard</b>	<b>\$250,000</b>	<b>\$0</b>
<b>St. Helena</b>				
	Greensburg, Town of	Pump Station Repair		25,000
	Montpelier, Village of	Fire Truck		15,000
	St. Helena Parish Police Jury	Police Radios		7,011

## Rural Development Grants for Fiscal Years 1994 and 1995

Parish	Grant Recipient	Project Description	Grant Amount	
			Fiscal Year End 1994	Fiscal Year End 1995
St. James	Gramercy, Town of	Land Purchase	15,000	15,000
	Lutcher, Town of	Waterline Repairs	15,000	
	St. James Parish Council	Rural Sewer Loan Program	60,000	
	St. James Parish Council	Water System		85,000
		<b>Subtotal St. James</b>	<b>\$90,000</b>	<b>\$100,000</b>
St. Landry	Eunice, City of	Drainage/Coole Richard		25,000
	Eunice, City of	Restroom Repairs	32,825	
	Grand Coteau, Town of	Replace Sidewalks	3,000	10,000
	Leonville, Village of	Fire Department Training	14,000	
	Melville, Town of	Build Heliport	6,000	
	Melville, Town of	Recreation Center Repairs		15,000
	Opelousas, City of	Sewer Repairs		25,000
	Palmetto, Village of	Road Repair	15,000	
	Palmetto, Village of	Repairs to Bayou Jack and Rideau	25,000	
	Palmetto, Village of	Water Line		15,000
	Port Barre, Town of	Wastewater Treatment	10,000	
	Port Barre, Town of	Hazel Street Repairs		15,000
	St. Landry Parish Community Action Agency	Buy and Install Walk-In Freezer	12,360	
	St. Landry Parish Police Jury	Funds/Red River Drainage		10,000
	Sunset, Town of	Water System	20,000	
	Sunset, Town of	Administrative Costs		15,000
Sunset, Town of	Town Hall Security System		1,000	
		<b>Subtotal St. Landry</b>	<b>\$138,185</b>	<b>\$131,000</b>
St. Martin	Arnaudville, Town of	Clean Drainage Canal	24,950	
	Henderson, Town of	Street Repairs		8,000
	Parks, Village of	Street Repairs		8,000
	St. Martin Parish Police Jury	Repairs to Doyle Melancon Road	75,000	50,000
St. Martinville, City of	Acadian Memorial		15,000	
		<b>Subtotal St. Martin</b>	<b>\$99,950</b>	<b>\$81,000</b>
St. Mary	Baldwin, Town of	Road Repair	25,000	

## Rural Development Grants for Fiscal Years 1994 and 1995

Parish	Grant Recipient	Project Description	Grant Amount		
			Fiscal Year End 1994	Fiscal Year End 1995	
St. Mary (Cont'd)	Baldwin, Town of	Recreation Area		\$25,000	
	Berwick, Town of	Pump and Drainage Station/Shredder	\$25,000		
	Berwick, Town of	Sewer Extensions		25,000	
	Franklin, City of	Sewer Lines	25,000	25,000	
	Patterson, City of	Repair Sewer/Pump Station	25,000		
	Patterson, City of	Recreation Area		25,000	
		<b>Subtotal St. Mary</b>	<b>\$100,000</b>	<b>\$100,000</b>	
St. Tammany	Pearl River, Town of	Police Department Repairs	25,000		
	Pearl River, Town of	Youth Facility		25,000	
	St. Tammany Parish Police Jury	Drainage District #4		40,000	
		<b>Subtotal St. Tammany</b>	<b>\$25,000</b>	<b>\$65,000</b>	
Tangipahoa	Amite City, Town of	Rural Development Study	5,000		
	Independence, Town of	Replace Water Main at LA 40	22,630		
	Kentwood, Town of	Extend Gas Service		25,000	
	Tangipahoa Parish Council	Connect Water Service	75,000		
	Tangipahoa Parish Council	LA Furnishings Repairs		15,000	
	Tangipahoa Parish Council	Tornado Clean-up Funds		4,500	
	Tickfaw, Village of	Waterline Extension		15,000	
		<b>Subtotal Tangipahoa</b>	<b>\$102,630</b>	<b>\$59,500</b>	
	Tensas	Newellton, Town of	Street Reconstruction	25,000	15,000
		Newellton, Town of	Gas/Water/Sewer to Detention		25,000
St. Joseph, Town of		Street Repairs	25,000		
St. Joseph, Town of		Sportsman's Festival	5,000		
St. Joseph, Town of		Water Line		15,000	
Tensas Parish Police Jury		Improve Parish Landfill	50,000		
Waterproof, Town of		Street Repairs		15,000	
		<b>Subtotal Tensas</b>	<b>\$105,000</b>	<b>\$70,000</b>	
Union		Bernice, Town of	Repairs and Tourist Information Center	15,000	
		Bernice, Town of	Truck and Tow Package		25,000
	Farmerville, City of	City Park Repairs	15,000		
	Junction City, Village of	Furnish Town Hall and AC/heat	5,000		

## Rural Development Grants for Fiscal Years 1994 and 1995

Parish	Grant Recipient	Project Description	Grant Amount	
			Fiscal Year End 1994	Fiscal Year End 1995
Union (Cont'd)	Marion, Town of	Shed for Fire Trucks/Equipment	\$15,000	\$25,000
	Spearsville, Village of	Police Equipment/Infrastructure	5,000	
	Union Parish Police Jury	Highway Work	29,564	
	Union Parish Police Jury	Repair Parish Roads	5,038	
	Union Parish Police Jury	Gravel for Parish Roads	10,075	
	Union Parish School Board	Teacher Expense		25,000
	Union Parish School Board	Teacher Expense		25,000
	Union Parish School Board	Teacher Expense		25,000
		<b>Subtotal Union</b>	<b>\$99,677</b>	<b>\$125,000</b>
Vermilion	Abbeville, City of	Repairs to Ball Field	43,000	
	Gueydan, Town of	Groundwater Supply Well	25,000	
	Gueydan, Town of	Community Center		25,000
	Kaplan, City of	Police Station and Jail Repairs	19,000	
	Maurice, Village of	Water System Improvements	15,000	
	Vermilion Parish Police Jury	Comeaux Recreation Center		75,000
			<b>Subtotal Vermilion</b>	<b>\$102,000</b>
Vernon	Anacoco, Village of	Road Repairs	15,000	5,000
	Hornbeck, Town of	Street Repair	15,000	5,000
	Leesville, City of	Industrial Park	100,000	
	Leesville, City of	Purchase Property		5,000
	New Llano, Town of	Street Repair	20,000	
	New Llano, Town of	Park Facility		5,000
	Rosepine, Town of	City Streets	15,000	
	Rosepine, Town of	High School Parking Lot		18,000
	Simpson, Village of	Water System	15,000	5,000
	Vernon Parish Police Jury	Gravel for the Parish	20,000	
	Vernon Parish Police Jury	Eleven Parish Projects		57,000
			<b>Subtotal Vernon</b>	<b>\$200,000</b>
Washington	Franklinton, Town of	Animal Shelter	23,000	
	Franklinton, Town of	Fire Truck		25,000
	Washington Parish Police Jury	Lees Creek Drainage		62,196
			<b>Subtotal Washington</b>	<b>\$23,000</b>

## Rural Development Grants for Fiscal Years 1994 and 1995

Parish	Grant Recipient	Project Description	Grant Amount	
			Fiscal Year End 1994	Fiscal Year End 1995
Webster	Cullen, Town of	Upgrade Water Wells	\$25,000	
	Dixie Inn, Village of	Sewer Lift Station Repairs		\$15,000
	Dubberly Fire Protection District 4	Fire Truck		8,000
	Minden Fire Protection District 10	Fire Truck	10,000	
	Sibley, Town of	Sewer Connections/Lights		25,000
	Webster Parish Police Jury	Standard Manufacturing	50,000	
	Webster Parish Police Jury	New Roof for Health Facility	65,000	
	Webster Parish Police Jury	Radio Equipment		12,000
	Webster Parish Police Jury	Fibrebond Corporation Expansion		188,767
		<b>Subtotal Webster</b>		<b>\$150,000</b>
West Baton Rouge	Port Allen, City of	Highway One Project		10,000
		<b>Subtotal West Baton Rouge</b>	<b>\$0</b>	<b>\$10,000</b>
West Carroll	Epps, Village of	Road Repairs	10,000	10,000
	Forest, Village of	Police Department/Street Repairs	5,000	10,000
	Kilbourne, Village of	Repair Town Hall and Police Department	10,000	
	Kilbourne, Village of	Drainage		10,000
	Oak Grove, Town of	Repairs to Recreation Center	25,000	25,000
	Pioneer, Village of	Culverts/Gravel		10,000
	West Carroll Parish Police Jury	Repairs to Parish Road	50,000	
	West Carroll Parish Police Jury	Renovate Building/Aging Council		5,000
		<b>Subtotal West Carroll</b>	<b>\$100,000</b>	<b>\$70,000</b>
	West Feliciana	St. Francisville, Town of	Parker Memorial Park Pavillion	25,000
West Feliciana Parish Police Jury		Hookups to Natural Gas Line	30,000	
West Feliciana Parish Police Jury		Courthouse Repairs		50,000
		<b>Subtotal West Feliciana</b>	<b>\$55,000</b>	<b>\$75,000</b>
Winn	Winn Parish Police Jury	Repairs to Maxwell Road	17,500	
	Winn Parish Police Jury	Parish Road Repairs	32,500	
	Winn Parish Police Jury	Water System		15,000
	Winnfield, City of	Construction of Recreation Complex	50,000	
	<b>Subtotal Winn</b>	<b>\$100,000</b>	<b>\$15,000</b>	

## Rural Development Grants for Fiscal Years 1994 and 1995

Parish	Grant Recipient	Project Description	Grant Amount	
			Fiscal Year End 1994	Fiscal Year End 1995
Telemedicine	Lallie Kemp Medical Center	Telemedicine		\$25,000
	LSU - Eye Center	Telemedicine		75,000
	LSU - Medical Center - Health Sys Research	Telemedicine		100,000
	LSU Eye Center	Telemedicine		50,000
	LSU Medical Center Foundation	Telemedicine		99,556
	LSU Medical Center - New Orleans	Telemedicine		50,000
	Nicholls State University	Telemedicine		100,000
	<b>Subtotal Telemedicine</b>		<b>\$0</b>	<b>\$499,556</b>
<b>Multi-Parish</b>	Ascension/St. James Airport	Loan until Federal Funds are Received	250,000	
	Department of Culture, Recreation and Tourism-Division of the Arts	Assess Status of Rural Arts	30,000	
	Kisatchie-Delta Regional Planning and Development District	Technical Asst. Empowerment Zone	50,000	
	Lower Delta Soil and Water Conservation District	National Convention Expenses		25,000
	Macon Ridge Economic Development Region	Operating Cost		30,000
	Macon Ridge Economic Development Region	Eight Parish Economic Development	75,000	
	North Central Louisiana Regional Economic Development	Nine Parish Economic Development	25,000	
	North Delta Economic Development and Planning District	Operating Funds		7,200
	Northeast Economic Development District	Headquarters		100,000
	Northeastern Council on Black Economic Development	Operating Funds	50,000	
	South Louisiana Economic Council	Bayou Vision Project	30,000	75,000
	<b>Subtotal Multi-Parish</b>		<b>\$510,000</b>	<b>\$237,200</b>
<b>Universities</b>	Grambling State University	Processing Plant/Lab/Hatchery	30,000	
	Grambling State University Middle/High School	Middle/High School Maintenance		5,000
	LSU - Continuing Education	Leadership Conference	50,000	
	LSU - Continuing Education	Leadership Conference		50,000
	LSU - Continuing Education	Leadership Conference		50,000
	Louisiana Tech University	Rural Development Center		118,924

## Rural Development Grants for Fiscal Years 1994 and 1995

Parish	Grant Recipient	Project Description	Grant Amount	
			Fiscal Year End 1994	Fiscal Year End 1995
Universities (Cont'd)	Nicholls State University	Loan Risk Assessment for Banks	\$14,865	
	Nicholls State University	Rural Development Center		\$118,925
	Southern University/Center for Energy	Economic Adjustment Strategy	25,000	
	<b>Subtotal Universities</b>		<b>\$119,865</b>	<b>\$342,849</b>
	<b>Grand Total</b>		<b>\$6,650,390</b>	<b>\$6,295,188</b>

**Rural Development Grants for Fiscal Years 1994 and 1995**

## Appendix B: Comparison of Rural Development Grant Programs

State	Agency	Staff Size	Annual Grant Budget	Match Requirements
Arkansas	Arkansas Rural Development Commission - Office of Rural Advocacy	3	\$300,000	50/50 cash with at least ½ of match derived from local donations
Georgia	Department of Community Affairs - Office of Rural Development	2	\$750,000	50/50 cash funds or in-kind match
Louisiana	Office of the Governor - Office of Rural Development	12	\$6,700,000	None
North Carolina	Rural Economic Development Center - Supplemental Grant Program *	1	\$1,600,000	At least 15% must be local funding and funds from center can constitute no more than 50% of project costs
South Carolina	Department of Commerce - Budget and Control Board	3	\$9,000,000	Grants require a match with state/federal and/or local funds (exceptions may be made for special projects)
Virginia	Department of Housing and Community Development - Center on Rural Development	3	\$300,000	25% community match is required, not federal or state dollars provided through other programs
<p style="text-align: center;">* Not a state agency, but state funds appropriated by General Assembly  <b>Note: All grant information based on activities for fiscal year 1993-1994</b></p>				

State	Funding Caps for Grants	Grant Goals
Arkansas	\$15,000	Enhance quality of life by providing matching grants to assist with construction, development, and improvement of local facilities and projects
Georgia	\$10,000 - single community \$20,000- multi-community	Fund community improvement activities of local governments, i.e., downtown development, historic preservation, community facilities, tourism and related marketing activities
Louisiana	\$15,000 to \$50,000 based on type of government unit (\$100,000 per parish cap)	Used to mitigate the rapid deterioration of rural health, education, transportation, public facilities, tourism, infrastructure, or other systems essential to the socio-economic well being of the state's rural areas
North Carolina	Grant must amount to less than 50% of total project cost, up to \$100,000	Meet match requirements for federal economic development grants--grants for water and sewer projects receive priority
South Carolina	No cap was given	Develop infrastructure and public works projects only and based on an area's capabilities to attract industry
Virginia	\$40,000 (awards ranged from \$5,000 to \$32,780; average award \$23,000)	Improve rural communities; encourage innovation and creativity; build local capacity; support projects that serve as catalyst for other development activities
<p><b>Note: All grant information based on activities for fiscal year 1993-94</b></p>		

State	Monitoring and Control Procedures
Arkansas	Financial controls include review of invoices/receipts and expenditures. Rural Development staff conducts site visits to ensure projects are moving at appropriate pace. Leftover funds greater than \$5 are returned to the Rural Development Office.
Georgia	Financial controls include incremental payments of grant funds to recipients with final payment occurring only after confirmation that the project has been completed. Due to size of staff, no regular site visits are conducted.
Louisiana	All funds are issued after application is approved. Grant recipients submit status report when project is completed. Projects are not inspected by rural development staff. There are no guidelines for leftover funds.
North Carolina	Grant recipients submit quarterly status reports. Funds paid at project end after all other funding has been expended. Staff visits site to ascertain project progress. Audit report required for grants over \$25,000. Any overages must be refunded.
South Carolina	Staff monitors the projects usually on a weekly basis. Funds are not distributed until the project is under way. Some monies are paid directly to contractors and not to grant recipients.
Virginia	Staff oversees projects from inception to completion. Written reports are filed every two or three months. Funds are paid on a reimbursement basis.
	<p><b>Note: All grant information based on activities for fiscal year 1993-94</b></p>



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# Appendix C: Scope and Methodology

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This report is a staff study. Preliminary work began in March 1995 and fieldwork was completed in July 1995. The staff study covers fiscal years ending 1993 through 1995. However, in some instances, data was unavailable for 1993. In those cases, we have noted such in the report.

To address the study objectives, we performed the following steps:

1. We interviewed the Rural Development staff to obtain the following information:
  - general information about the Office of Rural Development, and
  - guidelines used for the application, grant approval, and monitoring processes.
2. To determine if any duplication or overlap existed between Rural Development and other programs, we:
  - reviewed the state laws and/or rules and regulations governing the Office of Rural Development, the Parish Transportation Fund, the Community Development Block Grant Program, and the Department of Economic Development.
  - interviewed officials at the State Treasurer's Office and the Office of Community Development.
3. We contacted 10 southeastern states that have rural development programs and obtained information on those programs. Those states are listed below.

Alabama	Mississippi
Arkansas	North Carolina
Florida	South Carolina
Georgia	Tennessee
Kentucky	Virginia

4. We compared the role and structure of rural development programs in other states and other aspects of those programs to Louisiana's.
5. To analyze the grants issued for fiscal years 1993, 1994, and 1995, we did the following:
  - Categorized and totaled the grants by type of project and by parish.
  - Reviewed grant recipient files for compliance with internal Rural Development guidelines.

# Appendix D

## Agency Response